

PURCHASING DEPARTMENT

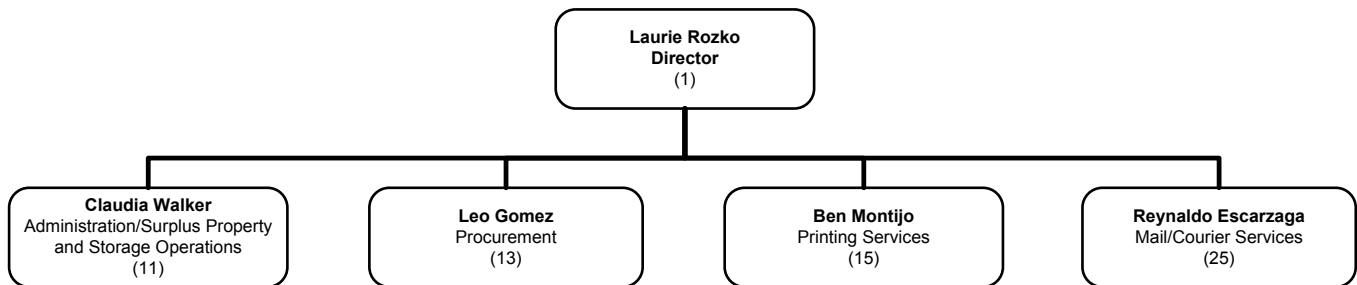
Laurie Rozko

DEPARTMENT MISSION STATEMENT

The Purchasing Department supports the local economy by ensuring a business friendly environment, while creating operational efficiencies and cost savings in the acquisition of goods and services. We offer exceptional customer service, employ innovative processes and technology, and apply industry best practices.



ORGANIZATIONAL CHART



2013-14 ACCOMPLISHMENTS

- Reduced purchase order cycle time from requisition to issuance by more than 55% since inception of the electronic procurement (ePro) network.
- Completed the first annual internal controls assessment of ePro, focused on separation of duties for ordering, approving, receiving, and payment.
- Implemented a major upgrade to the electronic procurement system, improving system controls and security, business intelligence, and procurement functionality for bids and purchase orders.
- Received the 18th Annual Award for Excellence in Procurement from the National Procurement Institute, with improved scores in staff professional development.
- Identified new Countywide contracts for fire sprinkler repair and inspection, generators, and emergency kits, to aggregate volume and reduce cost.
- Hosted a successful vendor show with representation by more than 180 local, regional, and national firms, and attended by hundreds of County staff and representatives from other local public agencies.
- Achieved an 88% vendor satisfaction rate for customer service, training, and bidding practices, with more than 800 vendors surveyed.
- Developed a buyer support model that dedicates buyer time with large, complex departments – initially the Medical Center and Sheriff's Department.



COUNTY GOALS AND OBJECTIVES AND DEPARTMENT PERFORMANCE MEASURES

COUNTY GOAL: CREATE, MAINTAIN AND GROW JOBS AND ECONOMIC VALUE IN THE COUNTY

- Objective(s):**
- *Review and revise fees, processes and decision-making to ensure a business friendly environment.*
 - *Utilize County programs and resources to support the local economy and maximize job creation.*

- Department Strategy:**
- *Maintain a high level vendor satisfaction with service and responsiveness, access to information, training opportunities, supplier events, and bidding opportunities.*
 - *Host regular vendor shows to connect suppliers with County departments and other public agencies and special districts in the region.*
 - *Participate in vendor activities that correlate to business success and economic development.*

Measurement	2012-13 Actual	2013-14 Target	2013-14 Estimate	2014-15 Target
Average supplier satisfaction on 100% scale	87%	80%	88%	85%
Number of vendor scheduled vendor meetings and events	373	600	624	400

COUNTY GOAL: OPERATE IN A FISCALLY-RESPONSIBLE AND BUSINESS-LIKE MANNER

- Objective(s):**
- *Implement information management best-practices that will unify technology platforms and move toward a standardized enterprise approach.*

- Department Strategy:**
- *Invest County resources in ways that create more ongoing revenue to reinvest in maintaining and improving services.*
 - *Provide online travel portal to reduce travel and booking arrangement costs.*

Measurement	2012-13 Actual	2013-14 Target	2013-14 Estimate	2014-15 Target
Percentage of departments with access to the portal	N/A	N/A	N/A	75%
Percentage of applicable annual county travel spend managed through online travel portal	N/A	N/A	N/A	20%



COUNTY GOAL: IMPROVE COUNTY GOVERNMENT OPERATIONS

Objective(s): • Monitor and evaluate operations and implement strategies to continually improve efficiency and effectiveness.

Department Strategy: • Create operational efficiencies and cost savings through countywide purchases and programs.
• Improve cycle time from the receipt of requisition to issuance of purchase order or contract.

Measurement	2012-13 Actual	2013-14 Target	2013-14 Estimate	2014-15 Target
Number of new bids that aggregate countywide demand to achieve better pricing	3	5	4	5
Average purchasing cycle time for Open market Purchase Orders up to \$100,000.	N/A	N/A	12.5	12.5



SUMMARY OF BUDGET UNITS

	2014-15					
	Requirements	Sources	Net County Cost	Fund Balance	Net Budget	Staffing
<u>General Fund</u>						
Purchasing	2,117,341	590,504	1,526,837			22
Total General Fund	2,117,341	590,504	1,526,837			22
<u>Internal Service Funds</u>						
Printing Services	4,610,503	3,265,988			(1,344,515)	15
Surplus Property and Storage Operations	598,004	555,876			(42,128)	3
Mail/Courier Services	7,397,775	6,971,188			(426,587)	25
Total Internal Service Funds	12,606,282	10,793,052			(1,813,230)	43
Total - All Funds	14,723,623	11,383,556	1,526,837		(1,813,230)	65

5-YEAR REQUIREMENTS TREND

	2010-11	2011-12	2012-13	2013-14	2014-15
Purchasing	1,301,517	1,308,823	2,091,145	2,227,760	2,117,341
Printing Services	4,220,738	3,837,528	3,804,878	3,779,471	4,610,503
Surplus Property and Storage Operations	403,885	363,796	373,942	370,581	598,004
Mail/Courier Services	6,321,743	6,646,394	6,921,187	6,947,787	7,397,775
Total	12,247,883	12,156,541	13,191,152	13,325,599	14,723,623

5-YEAR SOURCES TREND

	2010-11	2011-12	2012-13	2013-14	2014-15
Purchasing	413,692	500,198	928,168	557,076	590,504
Printing Services	4,451,662	3,756,976	3,720,329	3,876,640	3,265,988
Surplus Property and Storage Operations	360,819	271,856	269,266	375,000	555,876
Mail/Courier Services	6,302,495	6,495,026	6,772,587	6,705,583	6,971,188
Total	11,528,668	11,024,056	11,690,350	11,514,299	11,383,556

5-YEAR NET COUNTY COST TREND

	2010-11	2011-12	2012-13	2013-14	2014-15
Purchasing	887,825	808,625	1,162,977	1,670,684	1,526,837
Total	887,825	808,625	1,162,977	1,670,684	1,526,837

5-YEAR NET BUDGET TREND

	2010-11	2011-12	2012-13	2013-14	2014-15
Printing Services	230,924	(80,552)	(84,549)	97,169	(1,344,515)
Surplus Property and Storage Operations	(43,066)	(91,940)	(104,676)	4,419	(42,128)
Mail/Courier Services	(19,248)	(151,368)	(148,600)	(242,204)	(426,587)
Total	168,610	(323,860)	(337,825)	(140,616)	(1,813,230)

Note: Beginning in fiscal year 2012-13, Capital expenditures have been included and Depreciation has been excluded in appropriation in enterprise and internal service funds for budgetary purposes. In the table above, prior years have been restated for consistency.



Purchasing

DESCRIPTION OF MAJOR SERVICES

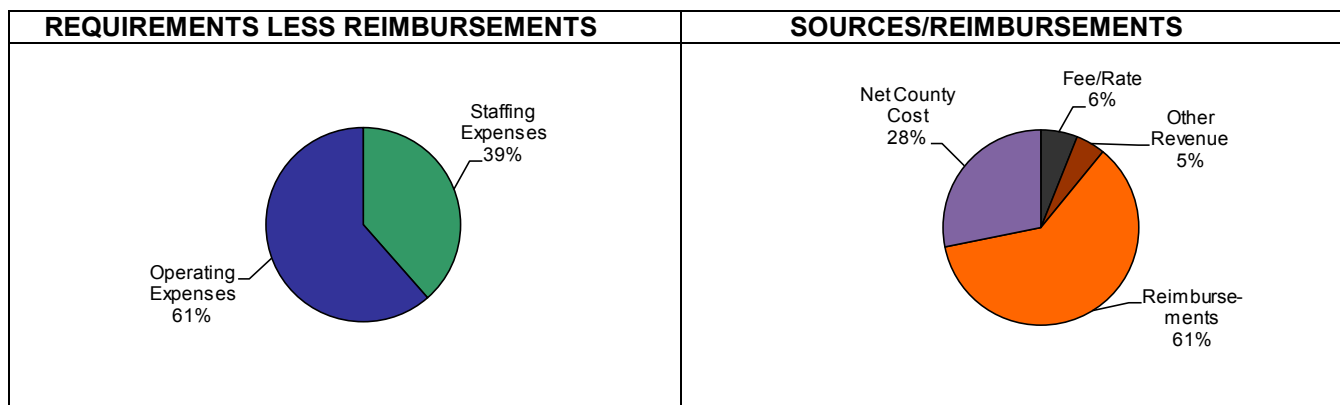
The Purchasing Department emphasizes customer service by supporting departments in the procurement of goods and services and also by managing vendor relationships. Buyers facilitate the procurement process for equipment, services, and supplies, administer contracts and the CAL-Card program, and promote cost-saving initiatives throughout the County. In addition, the department provides in-house printing, mail, surplus property disposition, and storage services which are accounted for in the department's three internal service funds.

Budget at a Glance

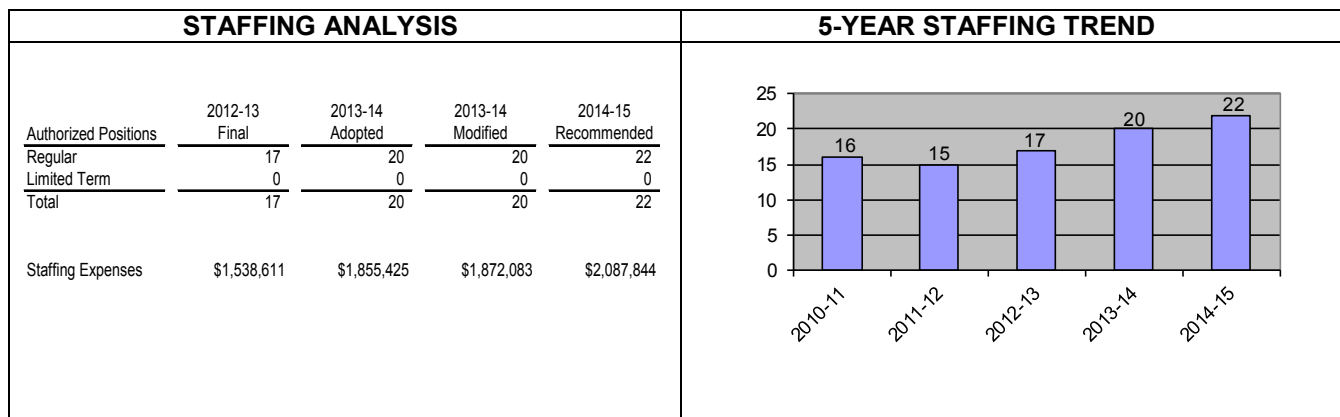
Requirements Less Reimbursements*	\$5,419,480
Sources/Reimbursements	\$3,892,643
Net County Cost	\$1,526,837
Total Staff	22
Funded by Net County Cost	28%
*Includes Contingencies	

The Purchasing Department; values integrity, and strives to source quality products with reasonable prices and efficient delivery; offers progressive services and information management through the efficient use of technology and an enterprise procurement system; gives all willing vendors the opportunity to provide their products and services in a fair, open, and competitive environment; and treats each department, employee, and vendor with respect and understanding. By meeting these objectives, the department fulfills its purchasing obligations and the legal requirements of San Bernardino County.

2014-15 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 RECOMMENDED BUDGET

GROUP: Administration
DEPARTMENT: Purchasing
FUND: General Fund

BUDGET UNIT: AAA PUR
FUNCTION: General
ACTIVITY: Finance

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimate	2013-14 Modified Budget	2014-15 Recommended Budget	Change From 2013-14 Modified Budget
Requirements							
Staffing Expenses	1,497,695	1,415,613	1,536,384	1,710,015	1,872,083	2,087,844	215,761
Operating Expenses	2,635,556	2,768,865	3,342,386	3,034,747	3,162,524	3,331,636	169,112
Capital Expenditures	216,937	162,829	56,775	110,000	110,000	0	(110,000)
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	4,350,188	4,347,307	4,935,545	4,854,762	5,144,607	5,419,480	274,873
Reimbursements	(3,048,672)	(3,074,099)	(2,896,068)	(2,919,214)	(2,916,847)	(3,302,139)	(385,292)
Total Appropriation	1,301,516	1,273,208	2,039,477	1,935,548	2,227,760	2,117,341	(110,419)
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	1,301,516	1,273,208	2,039,477	1,935,548	2,227,760	2,117,341	(110,419)
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	255	0	0	0	0	0	0
Fee/Rate	293,606	305,248	339,995	321,220	292,492	327,504	35,012
Other Revenue	119,827	181,799	664,862	(46,794)	264,584	263,000	(1,584)
Total Revenue	413,688	487,047	1,004,857	274,426	557,076	590,504	33,428
Operating Transfers In	0	0	0	0	0	0	0
Total Financing Sources	413,688	487,047	1,004,857	274,426	557,076	590,504	33,428
Net County Cost	887,828	786,161	1,034,620	1,661,122	1,670,684	1,526,837	(143,847)
Budgeted Staffing					20	22	2

MAJOR EXPENDITURES AND REVENUE IN 2014-15 RECOMMENDED BUDGET

Operating expenses make up the majority of the department's expenditures within this budget unit. These expenses include \$2.7 million for County office supplies, which are reimbursed by user departments, and \$362,224 in ongoing expenses for ePro.

Sources of \$590,504 includes \$327,504 from the service charge for administering the County office supply program and consolidated billing, as well as \$263,000 from various rebate agreements associated with Countywide procurement programs.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are decreasing by \$110,419 and include increases in staffing and operating expenses, reductions in capital expenditures, and increases in reimbursements associated with the office supply program. The increase in reimbursements totaling \$385,292 includes reimbursement for increased Countywide office supply expenses, reimbursement for a dedicated Buyer II for Fleet Management, and reimbursements from internal service funds for administrative services and overhead. Sources are increasing by \$33,428 related to increased Countywide office supply usage and a projected increase in the rebate earned from the CAL-Card program.

STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$2.1 million fund 22 budgeted regular positions. The budget includes the addition of the following 2 new positions:

- 1 Buyer II position to be assigned to and funded by Fleet Management to enhance service delivery related to Fleet procurement processes.
- 1 Supervising Office Assistant to supervise support staff within the department, as well as oversee the consolidated billing process.



2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Director	1	0	1	1	0	0	1
Administration	8	0	8	7	0	1	8
Procurement	13	0	13	12	0	1	13
Total	22	0	22	20	0	2	22

Director	Administration	Procurement
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Director of Purchasing	1 Executive Secretary II	1 Supervising Buyer
1 Total	1 Administrative Supervisor I	3 Buyer III
	1 Systems Procedures Analyst II	7 Buyer II
	1 Staff Analyst II	1 Staff Analyst I
	1 Accounting Technician	1 Office Specialist
	1 Fiscal Assistant	13 Total
	1 Office Assistant	
	1 Supervising Office Assistant	
	8 Total	

Printing Services

DESCRIPTION OF MAJOR SERVICES

Printing Services designs, prints, and finishes high quality print production materials using the latest technology, and operates three locations for Quick Copy services.

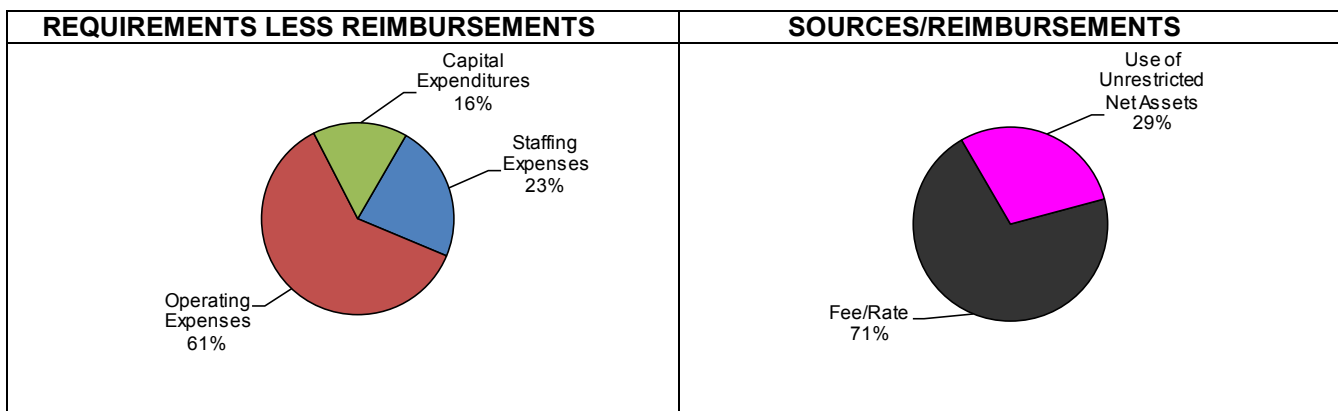
As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through user rates. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement. Any excess or shortage in fund balance is reviewed and incorporated into the rate structure for the following fiscal year.

Budget at a Glance

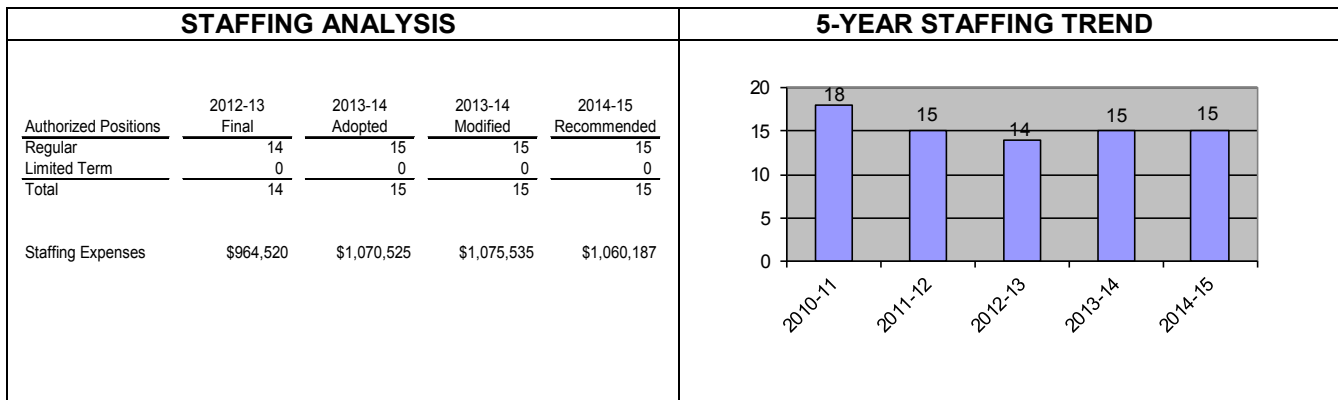
Requirements Less Reimbursements*	\$4,610,503
Sources/Reimbursements	\$3,265,988
Net Budget	(\$1,344,515)
Estimated Unrestricted Net Assets	\$2,326,572
Use of Unrestricted Net Assets	\$1,344,515
Total Staff	15

*Includes Contingencies

2014-15 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 RECOMMENDED BUDGET

GROUP: Administration
DEPARTMENT: Purchasing
FUND: Printing Services

BUDGET UNIT: IAG PUR
FUNCTION: General
ACTIVITY: Printing Services

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimate	2013-14 Modified Budget	2014-15 Recommended Budget	Change From 2013-14 Modified Budget
Requirements							
Staffing Expenses	1,070,388	983,869	960,732	986,787	1,075,535	1,060,187	(15,348)
Operating Expenses	3,081,818	2,677,276	2,771,795	2,588,824	2,664,936	2,818,016	153,080
Capital Expenditures	67,632	19,997	52,501	92,400	39,000	732,300	693,300
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	4,219,838	3,681,142	3,785,028	3,668,011	3,779,471	4,610,503	831,032
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	4,219,838	3,681,142	3,785,028	3,668,011	3,779,471	4,610,503	831,032
Operating Transfers Out	0	27,000	0	0	0	0	0
Total Requirements	4,219,838	3,708,142	3,785,028	3,668,011	3,779,471	4,610,503	831,032
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	4,451,608	4,187,887	4,232,557	3,874,861	3,876,640	3,261,768	(614,872)
Other Revenue	0	0	10,419	32,775	0	4,220	4,220
Total Revenue	4,451,608	4,187,887	4,242,976	3,907,636	3,876,640	3,265,988	(610,652)
Operating Transfers In	0	0	(628,347)	0	0	0	0
Total Sources	4,451,608	4,187,887	3,614,629	3,907,636	3,876,640	3,265,988	(610,652)
Net Budget*	231,770	479,745	(170,399)	239,625	97,169	(1,344,515)	(1,441,684)
Budgeted Staffing					15	15	0

*Net Budget reflects Total Sources less Total Requirements for Internal Service and Enterprise funds. When Net Budget is negative, it means that the department will be using assets that have been carried over from the prior year.

MAJOR EXPENDITURES AND REVENUE IN 2014-15 RECOMMENDED BUDGET

Operating expenses of \$2.8 million fund the costs of materials, outside printing services, production copiers and equipment maintenance. Capital expenditures of \$732,300 fund the purchase of capital assets including a printing press, a hand lift, and envelope feeder.

Expenses are charged to County departments and outside agencies through the rates that the department develops annually. After conducting a rate study, the department has recommended that rates be adjusted for each service that the department provides. These increases and decreases will result in a net decrease in revenue but will align revenues with expenses within each service cost center and also allow the department to continue to draw down excess retained earnings in order to comply with Federal OMB 2 CFR 225 working capital guidelines.

Sources of \$3.3 million represents projected revenue from rates charged for black and white copies, color copies, graphic design services and outside printing services.

This fund is showing a decrease in net budget of \$1.3 million due to one-time capital expenditures which are funded by retained earnings.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$831,032 primarily due to an increase in capital expenditures of \$693,300. Staffing expenses are decreasing slightly due to staff attrition, which has resulted in lower hourly staff costs. These costs are offset by increases in services and supplies, as well as transfers out for increased administrative support from the Purchasing General Fund budget unit.

Sources are decreasing by \$610,652 as result of new rates that reduce revenue from black and white copies and graphic design to draw down excess retained earnings in order to comply with Federal OMB 2 CFR 225 working capital guidelines.



STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$1.1 million fund 15 budgeted regular positions. There are no staffing changes recommended for the Printing Services Division. The current staffing levels are able to manage the workload with careful planning for staff absences.

2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Printing Services Manager	1	0	1	1	0	0	1
Graphic Arts	4	0	4	4	0	0	4
Quick Copy and Print Shop	10	0	10	10	0	0	10
Total	15	0	15	15	0	0	15

Printing Services Admin		Graphic Arts		Quick Copy and Print Shop	
<u>Classification</u>		<u>Classification</u>		<u>Classification</u>	
1	Printing Services Manager	3	Graphic Designer I	8	Reproduction Equipment Operator I
1	Total	1	Graphic Designer II	2	Reproduction Equipment Operator II
		4	Total	10	Total



Surplus Property and Storage Operations

DESCRIPTION OF MAJOR SERVICES

Surplus Property and Storage Operations manage County storage and excess property, internally reallocating used items to departments, distributing equipment to approved community-based organizations, and contracting with auctioneers and recyclers. Detailed reporting is required under County policy and state law.

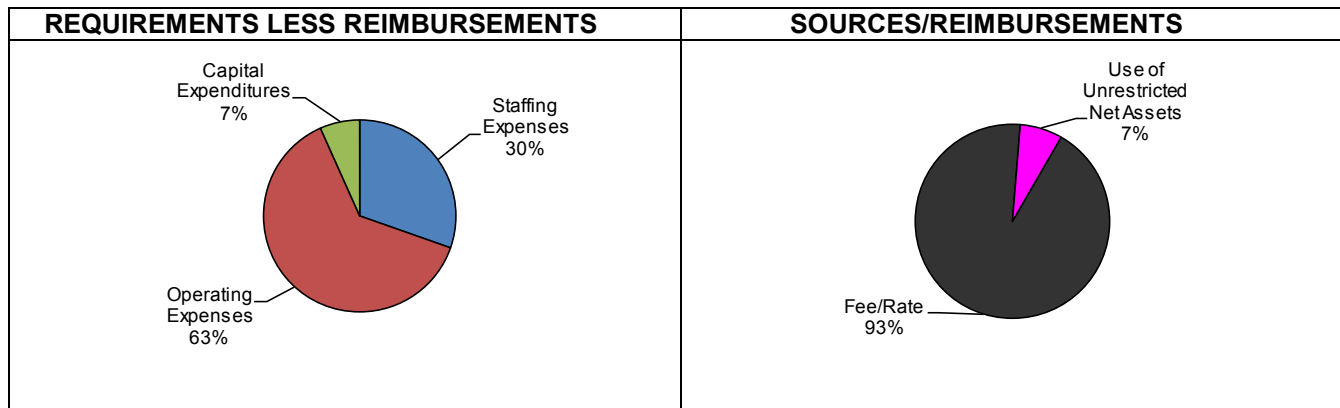
Budget at a Glance

Requirements Less Reimbursements*	\$598,004
Sources/Reimbursements	\$555,876
Net Budget	(\$42,128)
Estimated Unrestricted Net Assets	\$123,778
Use of Unrestricted Net Assets	\$42,128
Total Staff	3

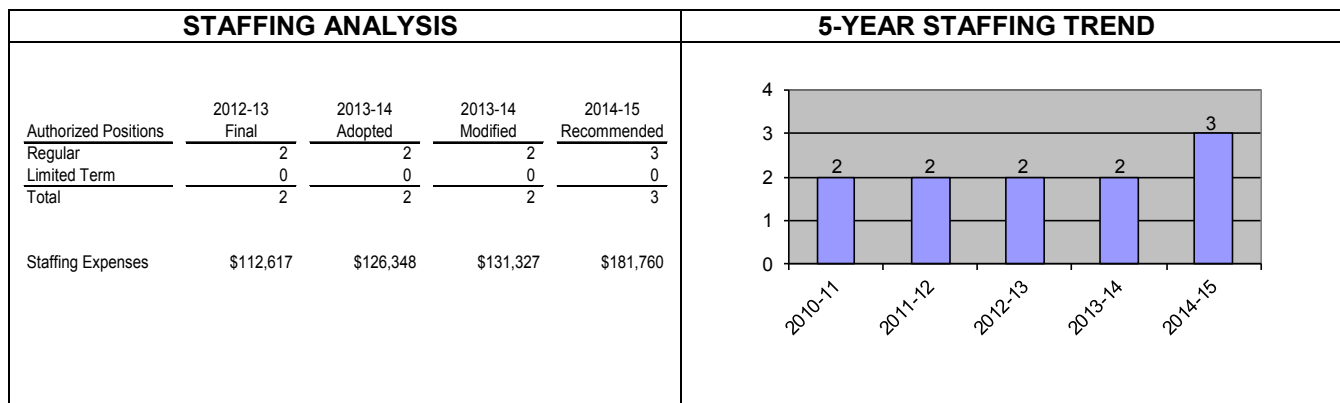
*Includes Contingencies

As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through a 0.75% rate assessed on purchases of furniture and equipment frequently received at Surplus Property and by user rates for Storage Operations. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement. Any excess or shortage in fund balance is reviewed and incorporated into the rate structure for the following fiscal year.

2014-15 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 RECOMMENDED BUDGET

GROUP: Administration
DEPARTMENT: Purchasing
FUND: Surplus

BUDGET UNIT: IAV-PUR
FUNCTION: General
ACTIVITY: Surplus

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimate	2013-14 Modified Budget	2014-15 Recommended Budget	Change From 2013-14 Modified Budget
Requirements							
Staffing Expenses	102,719	107,184	111,814	120,848	131,327	181,760	50,433
Operating Expenses	301,165	244,293	242,209	229,946	239,254	376,244	136,990
Capital Expenditures	0	0	0	0	0	40,000	40,000
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	403,884	351,477	354,023	350,794	370,581	598,004	227,423
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	403,884	351,477	354,023	350,794	370,581	598,004	227,423
Operating Transfers Out	0	0	0	0	0	0	0
Total Requirements	403,884	351,477	354,023	350,794	370,581	598,004	227,423
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	360,903	332,147	352,031	379,547	375,000	555,630	180,630
Other Revenue	0	0	15,120	95	0	246	246
Total Revenue	360,903	332,147	367,151	379,642	375,000	555,876	180,876
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	360,903	332,147	367,151	379,642	375,000	555,876	180,876
Net Budget*	(42,981)	(19,330)	13,128	28,848	4,419	(42,128)	(46,547)
				Budgeted Staffing	2	3	1

*Net Budget reflects Total Sources less Total Requirements for Internal Service and Enterprise funds. When Net Budget is negative, it means that the department will be using assets that have been carried over from the prior year.

MAJOR EXPENDITURES AND REVENUE IN 2014-15 RECOMMENDED BUDGET

Requirements of \$598,004 consists primarily of operating expenses which include COWCAP, insurance charges, facilities charges, professional services, and transfers out to fund administrative support provided by staff in the Purchasing Department's general fund budget unit.

Sources of \$555,876 include auction revenue; revenue from the storage and surplus handling rates; proceeds from recycling with outside vendors and a reimbursement from Human Services for the participation of Community Based Organizations in the Surplus Property Program.

This budget unit is showing a negative net budget of \$42,128 which is primarily due to one-time capital expenditures which are funded by assets carried over from the prior year.

BUDGET CHANGES AND OPERATIONAL IMPACT

Requirements are increasing by \$227,423 which includes increases in staffing expenses due to the addition of a new Storekeeper position, increased operating expenses including funding for enhanced auction services, and increased capital expenditures to allow for the replacement of a forklift which has exceeded its useful life.

Sources are increasing by \$180,876 due to an increase in the handling rate from 0.5% to 0.75%, which is assessed on purchase orders for commodities which are most frequently received at the Surplus Division for processing. This increase will allow the department to fund an additional position to address increased workload as well as enhance disposition activities at the surplus warehouse.



STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$181,760 fund 3 budgeted regular positions. This includes the addition of 1 Storekeeper position due to a 50% increase in the volume of surplus property since 2009-10 and the increased workload to recycle and reuse a larger percentage of surplus items in adherence to the Green County San Bernardino initiative.

2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Surplus Property and Storage	3	0	3	2	0	1	3
Total	3	0	3	2	0	1	3

Surplus Property and Storage

Classification

1 Stores Supervisor I

2 Storekeeper

3 Total



Mail/Courier Services

DESCRIPTION OF MAJOR SERVICES

Mail/Courier Services provides mail handling and interoffice mail delivery. Mail handling includes various expedited shipping services, postage at a discounted presort rate and overnight services at a governmental discounted rate, along with automated mail duties. There are ten courier routes, six postage meter stations and a certified mail post.

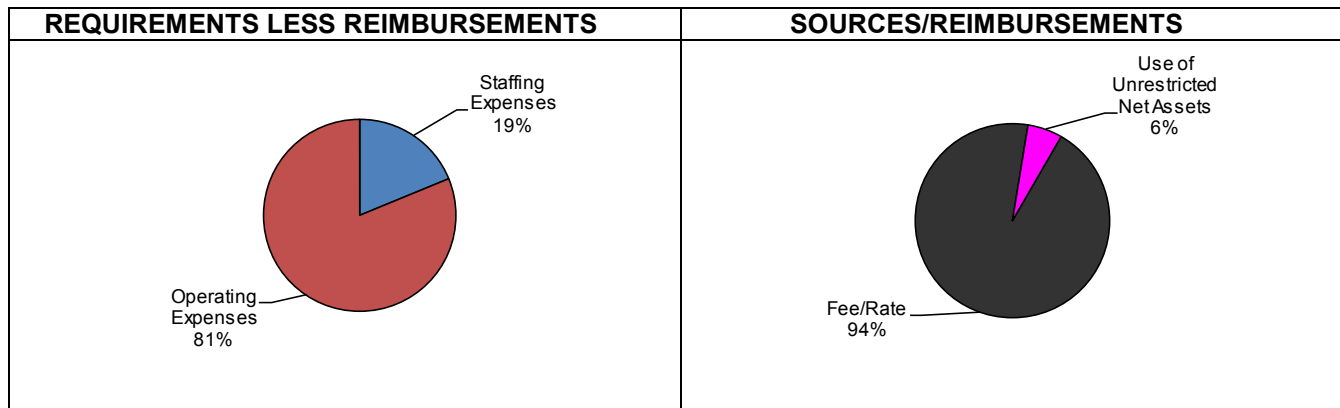
Budget at a Glance

Requirements Less Reimbursements*	\$7,397,775
Sources/Reimbursements	\$6,971,188
Net Budget	(\$426,587)
Estimated Unrestricted Net Assets	\$1,552,745
Use of Unrestricted Net Assets	\$426,587
Total Staff	25

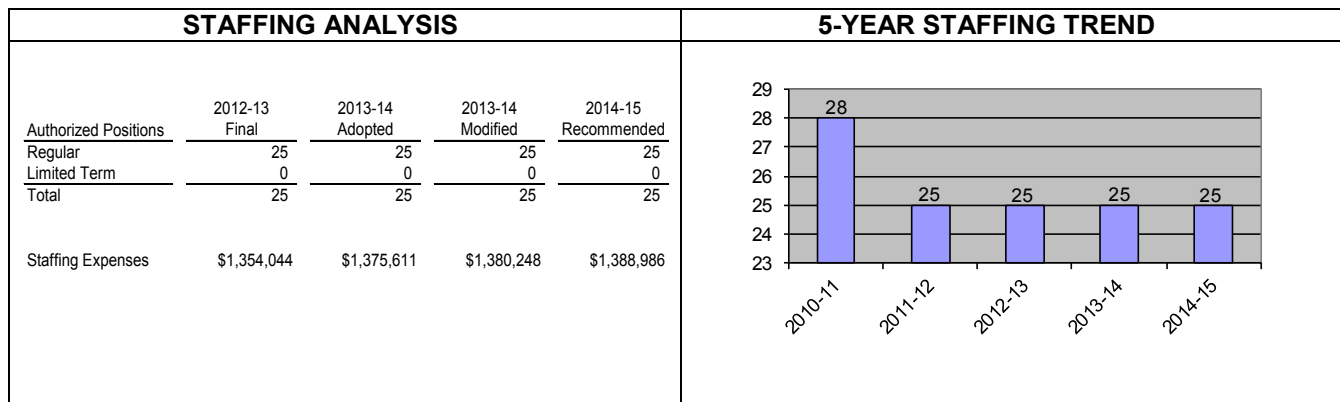
*Includes Contingencies

As an Internal Service Fund (ISF) of the Purchasing Department, operational costs of this program are managed through user rates. Unrestricted net assets available at the end of a fiscal year are carried over for working capital or equipment replacement.

2014-15 RECOMMENDED BUDGET



BUDGETED STAFFING



ANALYSIS OF 2014-15 RECOMMENDED BUDGET

GROUP: Administration
DEPARTMENT: Purchasing
FUND: Mail/Courier Service

BUDGET UNIT: IAY PUR
FUNCTION: General
ACTIVITY: Mail & Courier Services

	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Estimate	2013-14 Modified Budget	2014-15 Recommended Budget	Change From 2013-14 Modified Budget
Requirements							
Staffing Expenses	1,317,875	1,223,699	1,233,422	1,141,912	1,380,248	1,388,986	8,738
Operating Expenses	4,951,421	5,132,730	5,286,485	5,399,825	5,567,539	6,008,789	441,250
Capital Expenditures	10,727	0	63,586	0	0	0	0
Contingencies	0	0	0	0	0	0	0
Total Exp Authority	6,280,023	6,356,429	6,583,493	6,541,737	6,947,787	7,397,775	449,988
Reimbursements	0	0	0	0	0	0	0
Total Appropriation	6,280,023	6,356,429	6,583,493	6,541,737	6,947,787	7,397,775	449,988
Operating Transfers Out	40,000	0	0	0	0	0	0
Total Requirements	6,320,023	6,356,429	6,583,493	6,541,737	6,947,787	7,397,775	449,988
Sources							
Taxes	0	0	0	0	0	0	0
Realignment	0	0	0	0	0	0	0
State, Fed or Gov't Aid	0	0	0	0	0	0	0
Fee/Rate	6,279,024	6,323,760	6,340,040	6,791,714	6,705,583	6,971,188	265,605
Other Revenue	0	0	19,448	2,504	0	0	0
Total Revenue	6,279,024	6,323,760	6,359,488	6,794,218	6,705,583	6,971,188	265,605
Operating Transfers In	0	0	0	0	0	0	0
Total Sources	6,279,024	6,323,760	6,359,488	6,794,218	6,705,583	6,971,188	265,605
Net Budget*	(40,999)	(32,669)	(224,005)	252,481	(242,204)	(426,587)	(184,383)
				Budgeted Staffing	25	25	0

*Net Budget reflects Total Sources less Total Requirements for Internal Service and Enterprise funds. When Net Budget is negative, it means that the department will be using assets that have been carried over from the prior year.

MAJOR EXPENDITURES AND REVENUE IN 2014-15 RECOMMENDED BUDGET

Operating expenses represent the majority of this budget unit's expenditures totaling approximately \$6.0 million. This includes direct postage expense (\$5.0 million), equipment leases and maintenance, postal software upgrades, application development for the web-based billing project not completed in the prior year, and other related services and supplies.

Sources of \$7.0 million represent payments from departments for mail handling, mail delivery and direct postage costs.

BUDGET CHANGES AND OPERATIONAL IMPACT

Increases in requirements include increases in postage costs totaling \$481,586 from the USPS, and is offset by slight decreases in professional services, resulting in a net increase of \$449,988.

The Board of Supervisors approved increasing the rate charged to County departments for courier services in 2014-15 by 2.5% to comply with Federal OMB 2 CFR working capital guidelines and to cover increasing fuel costs. Sources are increasing by \$265,605 due to the increasing postage costs from the USPS that are reimbursed by departments.

This budget unit is showing expenditures exceeding projected revenue by \$426,587 in 2014-15. The department will closely monitor the expense and revenue within this budget unit during the year to ensure that working capital is managed at the appropriate level while also providing the necessary cash flow to deliver services. The department will continue to review various rate strategies within mail to ensure this budget unit is adequately funded and return to the Board to recommend a mid-year rate adjustment if necessary.



STAFFING CHANGES AND OPERATIONAL IMPACT

Staffing expenses of \$1.4 million fund 25 budgeted regular positions. There are no staffing changes. The current staffing levels are able to manage the workload with careful planning for staff absences.

2014-15 POSITION SUMMARY

Division	Regular	Limited Term	Total	Filled	Vacant	New	Total
Mail Services Manager	1	0	1	1	0	0	1
Mail/Courier	20	0	20	20	0	0	20
Automated Mail	4	0	4	4	0	0	4
Total	25	0	25	25	0	0	25

Mail Service Manager	Mail/Courier	Automated Mail
<u>Classification</u>	<u>Classification</u>	<u>Classification</u>
1 Mail Services Manager	1 Mail Services Supervisor	1 Mail Services Supervisor
1 Total	2 Mail Processor III	1 Mail Processor III
	17 Mail Processor II	2 Mail Processor II
	20 Total	4 Total

